



Media Release

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FOR IMMEDIATE RELEASE

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COLORADO INVESTMENT ADVISER SANCTIONED FOR VIOLATING STATE'S SECURITIES LAWS

Denver - Colorado Securities Commissioner Fred Joseph announced today that he has entered into a stipulation with **Merle Gene Walter**, a financial planner based in Arvada, CO, that has resulted in the entry of a permanent injunction barring Walter from the securities industry in Colorado for allegedly violating the securities anti-fraud provisions, and rules of the Colorado Securities Act in connection with his investment advisory services he provided his clients.

Under the terms of the settlement, Walter consented to a permanent injunction which was entered by Judge Robert Hyatt of the Denver District Court barring him from the securities industry in Colorado and permanently enjoining him from further violation of the registration, licensing and anti-fraud provisions of the Colorado Securities Act.

In the complaint filed in Denver District Court, the Commissioner alleged that Walter misappropriated more than \$165,000 from two of his elderly clients by taking advantage of his position as a financial planner and manipulating them into believing that he would repay these funds. A substantial portion of the borrowed funds were used for Walter's personal use rather than for his company. It is alleged that Walter abused the trust of these elderly clients by leading them to believe that he would pay them back, and claiming he paid them back with previous or future fees for his investment advisory services. The complaint alleges that borrowing money from his investment advisory clients breaches the fiduciary duty that Walter owed to them, and constitutes investment advisory fraud and violations of the Commissioner's rules. Further, it is alleged that Walter's conduct violated the securities regulation that prohibits an investment adviser from borrowing funds from a client.

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